



3 Top Stocks to Buy After the Market Correction

Description

Earlier this week, investors were very worried about a possible market crash. Growth stocks in many sectors seemed to be plummeting after reports of 10-year bonds rising. Many investors also decided it was time to sell their positions in growth companies and rotate into value plays. I don't agree with that and I don't believe it to be Foolish investing. Instead, I think investors should remain confident in their positions and double down where opportunities present themselves.

In this article, I will discuss three companies I believe are trading at nicer valuations after the correction. All three companies have exceptionally bright futures and investors that buy the dip will certainly be happy they did so in the future.

Canada's leading growth company

Of all the growth stocks in Canada, none compare to **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) in its popularity and global potential. The company is a global ecommerce enabler, providing a platform for merchants of all sizes to operate online storefronts. Although Shopify is already Canada's largest company by market cap, it still has a very long growth runway ahead. In fact, the company seems to believe so as well, as it announced a stock offering to [help fund future growth](#). Proceeds are estimated at \$1.3 billion USD.

Last week, Shopify held its Q4 earnings call. The company reported an 86% growth in revenue year over year. However, Shopify's stock price has not reflected that outcome. Since the market correction, Shopify stock has fallen as much as 13%. As the market cools off, and investors digest the earnings report, you can expect the stock to return to higher levels. This seems like an excellent buying opportunity.

Enabling business to operate remotely

Companies that help businesses operate remotely have been some of the largest beneficiaries over the past year. **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) offers a cloud-based, [AI-powered eLearning platform](#)

for enterprises. The company has over 2,000 customers which include names like **Walmart** and **Hubspot**. To close out the previous year, Docebo announced a multi-year partnership with **Amazon** and held its American IPO. Clearly, things are looking great for the company.

However, its stock performance has been a different story. Since the start of the year, Docebo stock has fallen more than 25%. While some may be alarmed by this, it's important to consider the entire story before jumping to any conclusions. Docebo became a public company in October 2019 and saw a modest growth of 25% before the COVID-19 crash. After hitting its lowest point in March, the stock rose more than 650%. A 25% correction is nothing to worry about. The investment thesis is strong.

Waiting on the world to change

It seems like the excitement in the renewable space has cooled off somewhat over the past month. After hitting its all-time highs, a company like **Tesla** has fallen as much as 25%. Another solid company in the renewable energy space is **Brookfield Renewable Partners** ([TSX:BEP-UN](#))([NYSE:BEP](#)). The company operates a diverse portfolio of assets capable of producing more than 19,400MW of power.

The stock hasn't been hit as hard during this market correction, falling only about 7% since the start of the week. Since the start of the year, Brookfield Renewable stock is down about 4%. Those numbers are not terrible, considering the state of the market. Over the past year, the stock is still up more than 40% and over the past two years, it's up more than 176%. Brookfield Renewable may have run up a bit fast in recent times, and now the stock may just be cooling off a bit. Like the other excellent companies here, the investment thesis is still intact.

Foolish takeaway

Looking at the numbers, I can see why investors may have gotten worried. A lot of red has been going around in the market, especially in a lot of the high-flying growth companies. However, it's important that we focus on the businesses behind the stock prices. An examination of Shopify, Docebo, and Brookfield Renewable reveals intact investment theses. This is an excellent opportunity to add shares to your positions.

CATEGORY

1. Investing
2. Tech Stocks

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TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:DCBO (Docebo Inc.)
6. TSX:SHOP (Shopify Inc.)

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